

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SS-20 NSC-07 CIAE-00 PM-07 INR-11 L-03

ACDA-19 NSAE-00 PA-04 RSC-01 PRS-01 SP-03 USIA-15

TRSE-00 SAJ-01 OMB-01 EB-11 COME-00 DRC-01 /131 W

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R 220030Z SEP 74

FM USMISSION NATO

TO SECSTATE WASHDC 7707

SECDEF WASHDC

C O N F I D E N T I A L USNATO 5138

E.O. 11652: GDS80

TAGS: MARR FR NATO

SUBJECT: FRENCH PARTICIPATION IN INFRASTRUCTURE FUNDING

REFS: A. AC/4(PP)D/10,291

B. AC/4(PP)DS/948, ITEM I.1.(B)

SUMMARY. FRANCE HAS INDICATED WILLINGNESS TO PARTICIPATE IN SINGLE RADAR PROJECT IN UK PROVIDED FRENCH INDUSTRY CAN BID. US VIEW THAT THIS AGREEABLE ONLY ON BASIS OF FRENCH PARTICIPATION IN ALL SIMILAR PROJECTS THAT P&P COMMITTEE DOES NOT SHARE. REQUEST GUIDANCE ON FUTURE US POSITION. END SUMMARY.

1. INFRASTRUCTURE PAYMENTS AND PROGRESS COMMITTEE AUTHORIZED THE REPLACEMENT OF EARLY WARNING RADARS AT SAXA VORD, DESCRIBED AT REF A, QUOTE AT FOURTEEN UNQUOTE (REF B), AT A TOTAL ESTIMATED COST OF IAU 1.6 MILLION (&5.4 MILLION AT \$3.38/IAU).

2. AT ITS MEETING ON 19 SEPT THE P&P COMMITTEE DISCUSSED A FRENCH PROPOSAL THAT THEY PARTICIPATE IN FUNDING THIS PROJECT ON CONDITION THAT FRENCH INDUSTRY CAN PARTICIPATE IN THE INTERNATIONAL COMPETITIVE BIDDING (ICB).

3. THE US REP WELCOMED THIS INDICATION OF FRENCH WILLINGNESS TO CONFIDENTIAL

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PARTICIPATE IN SUCH NADGE-CONNECTED PROGRAM. US,VIEW, NEVERTHELESS, WAS THAT SUCH PARTICIPATION SHOULD NOT BE LIMITED TO ONLY INDIVIDUAL PROJECTS, ON THE BASIS OF FRENCH INDUSTRY INTEREST, B UT

SHOULD INSTEAD BE GIVEN FOR A CATEGORY OF PROJECTS (IN THIS CASE, NADGE)

ACROSS THE BOARD, ON THE BASIS OF THEIR BENEFIT TO FRANCE AND THE ALLIANCE AS A WHOLE. BALANCE OF THE COMMITTEE APPEARED TO SHARE THIS VIEW.

4. US REP WENT ON TO STATE THAT HE COULD ONLY AGREE TO FRENCH PARTICIPATION IN THE ICB QUOTE ON THE UNDERSTANDING THAT UNQUOTE THE FRENCH DECISION TO SHARE THE FINANCING OF THIS WORK APPLIED TO OTHER NADGE-RELATED PROJECTS, PAST AND FUTURE, AS HAD BEEN CASE FOR NICS NEGOTIATIONS. BALANCE OF COMMITTEE DID NOT SHARE THIS US POSITION, HOWEVER, BELIEVING THAT THE COMMITTEE DID NOT HAVE THE AUTHORITY TO DENY FRENCH FINANCIAL PARTICIPATION IF OFFERED, NOR TO DENY FRENCH INDUSTRY ACCESS TO BIDDING FOR PROJECTS IN WHOSE FUNDING IT WAS SHARING, US VIEW THAT AGREEMENT WITH OTHER ALLIES TO CONTINUE FUNDING OF PROJECTS AT QUOTE FOURTEEN UNQUOTE INCLUDED TACIT AGREEMENT THAT FRANCE COULD PARTICIPATE ONLY IN CATEGORIES OF PROJECTS AT HER OPTION WAS NOT SHARED BY OTHER DELEGATES. THEIR VIEW WAS THAT SO-CALLED QUOTE FOURTEEN PREFINANCING UNQUOTE WAS ON CASE-BY-CASE BASIS WITH IMPLICIT INVITATION TO FRANCE TO PARTICIPATE IN ALL OR ANY ONE OF THE PROJECTS AS SHE CHOSE.

5. SINCE SAXA VORD PROJECT HAS ALREADY BEEN AUTHORIZED, US LEVERAGE AGAINST FRENCH PARTICIPATION WILL BE LIMITED TO POSSIBLE OBJECTIONS TO ANY ADDITIONAL FUNDING THAT MIGHT BE REQUIRED, IF U.K. PERMITS FRENCH PARTICIPATION WITHOUT US AGREEMENT.

6. FRENCH REPRESENTATIVE EXPLAINED PRIVATELY AFTER MEETING THAT GOF IS IN FACT CURRENTLY CONSIDERING AN OVERALL DECLARATION SUCH AS US DESIRES, BUT NO EARLY DECISION IS LIKELY. SINCE UK PLANS TO SOLICIT NAMES OF INTERESTED FIRMS FOR THIS ICB BEFORE END OF SEPTEMBER, AND WILL ISSUE CALL FOR BIDS PROBABLY IN EARLY NOVEMBER , IT IS UNLIKELY THAT FRENCH COULD MEET US DEMANDS IN TIME.

7. MOST FEASIBLE ALTERNATIVE TO COURSE OF ACTION OUTLINED PARA 5 ABOVE WOULD BE TO REGISTER OUR DISAPPOINTMENT WITH THE INTERPRETATION
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WHICH REST OF COMMITTEE HAS GIVEN TO QUOTE FOURTEEN UNQUOTE FUNDING AND, WHILE AGREEING THAT FRENCH COULD PARTICIPATE IN THIS PROJECT, TAKE MATTER TO INFRASTRUCTURE COMMITTEE TO MORE CLEARLY ESTABLISH THE GROUND RULES OF QUOTE FOURTEEN PREFINANCING UNQUOTE FOR THE FUTURE.

8. REQUEST GUIDANCE PRIOR TO NEXT MEETING OF P&P COMMITTEE, CURRENTLY SCHEDULED FOR 3 OCT 74.
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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 22 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO05138
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS80
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740988/abbryxhn.tel
Line Count: 106
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. AC/4(PP)D/10,291 B. AC/4(PP)DS/948, ITEM I.1.(B)
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 11 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 APR 2002 by elyme>; APPROVED <08-Oct-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRENCH PARTICIPATION IN INFRASTRUCTURE FUNDING
TAGS: MARR FR NATO
To: STATE
SECDEF
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005